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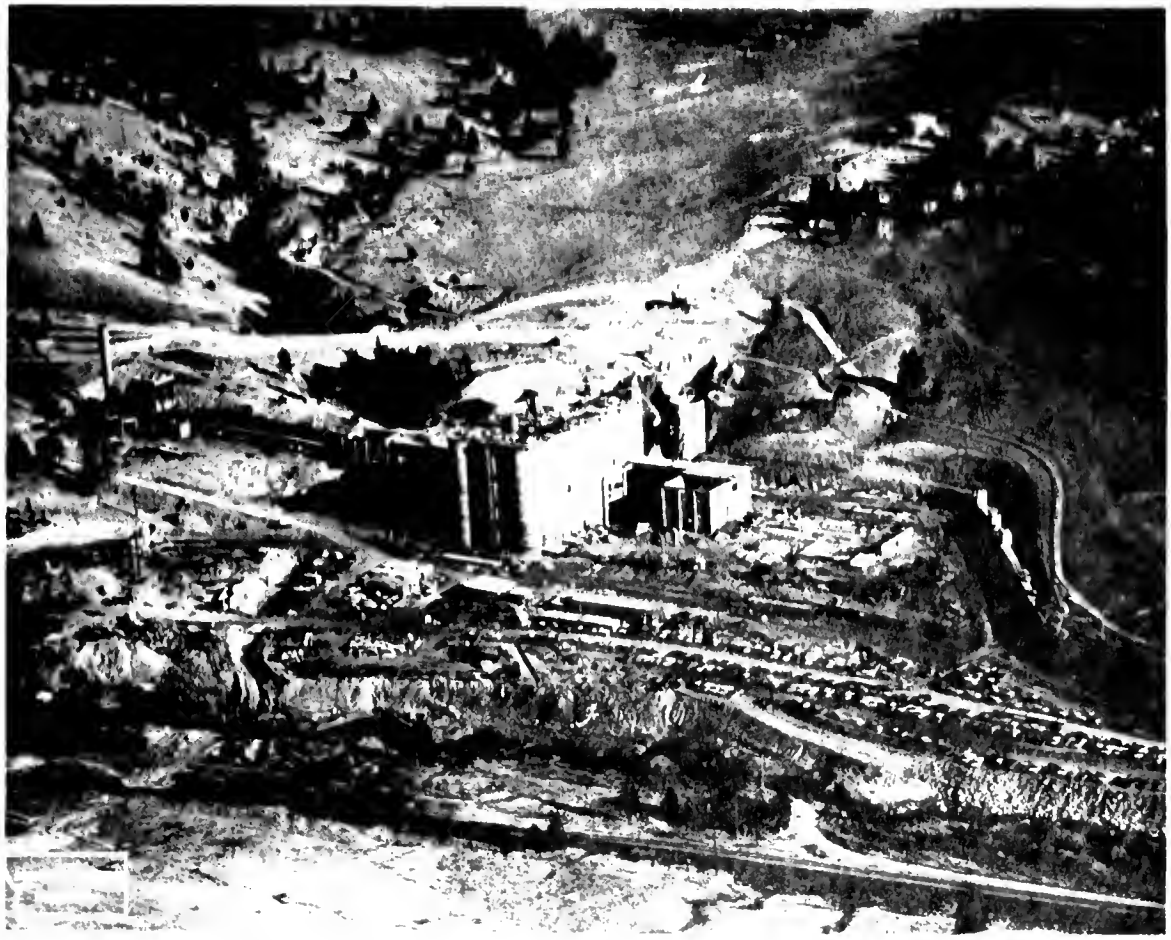

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The Hon. Tim Babcock
Governor of Montana
Helena, Montana

Dear Governor Babcock:

It is an honor to submit herewith the Report of Activities of the State Planning Board, covering the period from January 1, 1961 through December 31, 1962.

This report describes the major ways in which the Board's activities have progressively grown in stature and are now playing a significant role in the economic and social development of the State.

We are especially proud of the efforts of our Advisory Council, which we wish to acknowledge for its unselfish interest and assistance in our endeavors.

Respectively submitted,

Henry Sawtell

Henry J. Sawtell
Chairman

HJS:dg
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MONTANA STATE PLANNING BOARD

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MONTANA STATE PLANNING BOARD

REPORT OF ACTIVITIES

(December 1960 - June 1962)

PREFACE

Since the last biennial report, Montana, her economy, and her people are in a state of transition at a much accelerated rate. The attitude of preserving the "status quo" is giving way to a general recognition of the need for growth and the desirability of new economic developments. There is an awareness of the necessity for replacing the obsolescence which continually occurs within our economy. Consistent with this feeling, the activities of the State Planning Board have become broadened in scope and a more aggressive and concerted effort made in the field of economic development.

The last Legislature was cognizant of this situation and passed definite laws to make investment in job-creating ventures more attractive. Most notable of these acts was S. B. 137, the so-called Tax Incentive Bill, which created a separate class of property for taxation purposes. This granted a special tax rate for investment in employment-creating endeavors and specifically applied this advantageous rate during a 3-year period when new industry is struggling to become established on a profitable basis.

The figures shown below will point out the progress which has come about within our major industries during the past decade:

INCOME FROM MONTANA'S MAJOR BASIC INDUSTRIES

		1950		1960
AGRICULTURE		$353,800,000		$405,600,000
VALUE ADDED BY MANUFACTURE[1]	(1947)	90,845,000	(1959)	218,795,000
MINERALS		103,389,000		179,062,000
Petroleum & Nat. Gas -	(Included in Min-	22,507,000		75,458,000
Copper -	eral Total)	22,663,000		59,046,000
TOURISM		70,727,327		96,737,486
POPULATION		591,027		674,767

On the Federal level, Congress passed the Area Redevelopment Act in May of 1961, which has become a part of the State Planning Board operation. Under this program our staff is charged with the responsibility of assisting qualified areaswith the preparation of "Overall Economic Development Plans" and approval of these OEDP's as a requirement for benefits under the Act. In addition, the staff of the State Planning Board must approve project proposals as to their economic feasibility in accordance with the OEDP of the area.

Although the work of our State Planning Board is said to be primarily concerned with industrial development, it is more true that our scope of operations encompasses economic developments of all types. Even as manufacturing is becoming a more significant part of our economy, as shown in the table above, our Board is just as vitally interested in each segment of our economy. Our primary purpose is to support and encourage all developments which will result in increased job opportunities and enhance the economic and social welfare of our citizens.

In conjunction with our main objectives are sundry programs which are an integral part of economic development.

---

[1]Figures are not available for 1950 and 1960. Therefore, the closest manufacturing census years are used, 1947 and 1959.

INTRODUCTION

The original act which created the Montana State Planning Board declared that the public interest required the conservation and development of Montana's natural resources for the social and economic advancement of the people of the State. Since its inception, the work of the State Planning Board has necessarily evolved into various fields which are an integral part of economic development.

The fundamental operations of this Board are divided into five broad fields each of which will be treated separately in this report:

1. Economic Development
2. City-County Planning (Federal "701" Program)
3. SBA Research Grants
4. Area Redevelopment Act
5. Sundry Programs

Since the true measure of accomplishment of the State Planning Board is the social and economic well being of Montana's citizens, it is most encouraging to report these facts:

> In 1962 we have had starts of new and expanded plant facilities with more dollars to be invested than in any year on record.
>
> 1962 has set a record for more people employed than at any time since the Unemployment Compensation Commission began operation.
>
> From 1959 to 1961 our total personal income increased by $51 million, or at a rate of 4 per cent.

Not only can Montana feel optimistic about its economic growth, but our changes in population indicate we have fared very well in comparison to our sister states in this region.

POPULATION BALANCE SHEET: UPPER MIDWEST, 1950-1960
(in thousands of persons)

	Upper Midwest	Montana	North Dakota	South Dakota	Minnesota	Northwest Wisconsin	Upper Michigan
Population 1950	5,746	598	616	652	2,995	583	302
Plus: Births 1950-60	1,551	170	170	180	824	137	70
Minus: Deaths 1950-60	616	62	54	58	351	60	31
Plus: Net Migration 1950-60	-392	-32	-99	-93	-53	-80	-35
Equals: Population[a] 1960	6,288	674	632	681	3,414	581	306

[a]1960 population may differ slightly from column sums due to rounding.

Although Montana's net migration was good in relation to the Upper Midwest Region as a whole, it is important to mention that the largest percentage loss occurred in the 20-24 year age group. This is nearly 20 per cent of our total out-migration during the 1950-60 decade and this is the group which includes our educated young people.

There are encouraging signs, however, that this trend will be reversed with the introduction of Montana's first electronics industry. In January of 1961 Montronics of Bozeman began operations with a staff of 12 employees. Less than two years later they now have over 115 people working in two plants and have hired half of the 1962 spring graduating class in electrical engineering from Montana State College. This is an important industry not only because of the employment opportunities it presently offers our young people but due to its existence several previous Montanans educated at our institutions have been able to return home and find work in their chosen profession.

Assembly Work at Montana's New Electronics Industry

Employment Shows Steady Increase

Consistent with any dynamic economy, there are constant changes in the makeup of our labor force. Although there are adjustments in various categories, the nonagricultural employment picture in Montana shows continual expansion. A breakdown of the U. S. Bureau of Labor Statistics, which follows, shows what has occurred during the last decade as Montana has changed from a traditional cattle, wheat, and mining state more in the direction of a modern industrial economy:

WAGE & SALARY WORKERS IN NONAGRICULTURAL INDUSTRIES, BY MAJOR INDUSTRIAL GROUP

	1950	1955	1960	1961 (July)	1962 (July)
All Nonagricultural Industries	149,000	162,100	166,700	175,200	177,300
Manufacturing	18,000	20,400	20,200	21,200	21,900
Mining	10,200	12,000	7,300	7,100	7,300
Contract Construction	10,500	10,400	11,400	14,700	15,200
Transportation & Utilities	21,900	21,700	19,000	19,300	19,100
Finance, Ins. & Real Estate	4,100	5,600	6,800	6,900	6,800
Trade	36,700	39,900	40,600	41,000	41,100
Services & Miscellaneous	19,300	21,200	22,800	24,600	24,800
Government	28,300	30,900	38,600	40,400	41,100

Although agriculture continues to be Montana's largest industry dollar-wise, it is in a similar state of transition found throughout the country as a whole. As productivity has increased on farms and ranches at an astounding rate since World War II, there has been a corresponding decrease in job opportunities in this segment of our economy. This points out the necessity of expanding employment for our young people in nonagricultural fields and the need for new economic developments if Montana will continue to keep pace with the rest of the nation.

Growth of Income

Since agriculture and mining are such an important part of our economic picture, the changes which are occurring in these industries necessarily affect the over-all income figures of the State. Nevertheless, we have accomplished steady increases in both total income and per capita income during the past decade.

TOTAL PERSONAL INCOME AND PER CAPITA INCOME
1950 to 1960

Year	Total Income ($ millions)	Per Capita (dollars)	Income Rank Among States
1960	1,368	2,018	28
1959	1,319	1,978	26
1958	1,338	2,015	21
1957	1,280	1,934	23
1956	1,229	1,902	22
1955	1,158	1,862	18
1954	1,071	1,747	21
1953	1,093	1,798	20
1952	1,066	1,786	20
1951	1,050	1,771	16
1950	957	1,600	16

Although the figures above show a change in our relative position income-wise with other states of the nation, it is felt this is largely due to the transition in agriculture and mining. Figures later than 1960 will undoubedly reflect the tremendous expansion in plant and equipment which occurred during the period since, with resulting increases in employment and income.

According to Business Week magazine, total personal income for the eight months of 1962 in Montana was $942.9 million. This represents an increase of 9.2 per cent from the first eight months of 1961 when the State's personal income totaled $863.2 million.

Industrial Expansion

Montana has experienced a record investment in plant and equipment during the past two years. These investments ranged from new ventures in electronics, wood chemicals, and cement to substantial expansions of existing wood and mineral producing facilities.

While dollars spent in job-creating investment during the past decade has been fairly consistent in Montana at approximately $20 million annually, it will be considerably larger than this amount from 1960 through 1962.

Recognizing the economic fortune of our State depends upon a continual program of development, the State Planning Board will not cease in its efforts to promote new projects in the industrial field.

ECONOMIC DEVELOPMENT

Early in 1961 the State Planning Board initiated a program to pursue economic development possibilities which could bring the most immediate benefits to the people of Montana. Being conscious of the very competitive situation which exists among agencies seeking developments, the Board studied and devised a program aimed at specific potentials in four broad categories:

1. Timber
2. Agriculture
3. Minerals
4. Manufacturing

The Board was quite aware at the time this was formulated that not all of this program could become successful immediately and that there were bound to be physical and economic factors which would relegate some of these projects to a more remote status. Also, the Board recognized there can be many different approaches and that these potentials could become realities only through the combined efforts of many individuals and organizations throughout the State. We do not imply by the figures following that the State Planning Board was completely responsible for the success of this program. But rather, we report these results for factual evidence of the growth of Montana, and are proud to have participated in this program to bring new industry to the State.

NEW PLANTS & EXPANSIONS DURING 1961-62

Company	Location	Facility	Investment	Comp.	Est. Comp.
Northern Timber Co.	Deer Lodge	Sawmill		1962	
Anaconda Co.	Bonner	Sawmill & Planer	$4,500,000		1962
J. Neils Lumber Co.	Libby	Plywood	4,000,000	1962	
J. Neils Lumber Co.	Libby	Arabinoglactan	300,000	1962	
Van-Evan Co.	Missoula	Plywood Expansion	?	1961	
Mont. Forest Products	Philipsburg	Sawmill	1,500,000	1961	
Cascade Plywood	Polson	Various	750,000	1961	
Forest Service Lab.	Bozeman	Lodgepole Research	175,000		1963
Anaconda Co.	Butte	Concentrator	30,000,000		1963
Multi-Minerals	Chinook	Mixed Fertilizer	100,000	1962	
Permanente Cement Co.	Mont. City	Cement	9,600,000		1963
Sunburst Biochemical	Conrad	Barley Molasses	100,000		1963
Weaver Construction	Warren	Limestone	250,000	1962	
Rocky Mt. Phosphates	Garrison	Phosphate	300,000		1963
Beatrice Foods	Billings	Food Processing	250,000	1962	
Needham Packing Co.	Great Falls	Meat Packing	135,000	1962	
Waldorf-Hoerner	Missoula	Mill Residue Burner	750,000		1963
Glacier Pipeline Co.	Cut Bank to Byron, Wyo.	Crude Oil Pipeline	13,500,000	1962	
Phillips Petroleum Co.	Great Falls	Catalytic Cracking Unit	----------	1962	

Fertilizer

Reference to our 1960 biennial report will reveal background on Montana's fertilizer production and previous plans of the Board to study and encourage expansion in this field. Part of our program during 1961-62 was to further implement past endeavors in this direction.

In this area, the State Planning Board has performed feasibility studies, held meetings with research people representing prospective investors, and has had the personal cooperation of the Governor in selling this potential. Results are most favorable, and announcement of a phosphate upgrading plant for 1963 is contemplated in the near future. It is optimistically felt this project will lead to a fully integrated fertilizer plant within a few years.

Further developments in fertilizer include expansions of Multi-Minerals with an additional plant at Chinook, and the Farmer's Union with a similar operation under construction at Fairfield.

In the field of soil conditioners there have been two new enterprises producing peat moss since the announcement of Tracana Enterprises in our last biennial report. Both the Foss Peat Moss Company of Hamilton and Mountain Meadow Enterprises of Columbia Falls are now in operation.

Oil and Gas

Since the time oil was initially discovered in Montana in 1916, we now have oil and gas production in 28 of our 56 counties with total value produced to January 1962 of over $820 million.

The following figures for 1958 through 1961 will indicate the trend of continual expansion experienced in this industry:

Average Daily Production in Barrels*

	1958	1959	1960	1961
Crude Oil	77,000	81,800	82,600	84,675
Natural Gas Liquids	1,000	1,375	1,420	1,430
Total Petroleum	78,000	83,175	84,020	86,105

*Source: Oil and Gas Industry in Your State

One of Eastern Montana's Modern Oil Refineries

Consistent with the State Planning Board's program of development, we have encouraged the oil industry toward further expansions in the petro-chemical field. During 1961 and 1962 the Board has been cooperating closely with several refineries who have shown an interest in the production of ammonia. Although such a plant is not yet a reality, present studies indicate the economics of such a venture will be feasible in approximately 1964.

The importance of this industry to the economy of Montana is manifested by a 1961 value of $78,657,000 for oil and gas production and estimated employees of 5,600. The State Planning Board is very optimistic over the future for this growing segment of our economy and will be supporting further developments in oil and gas.

Minerals

Expansion in the mineral industry was topped by the $30 million investment by the Anaconda Company in the concentrator presently under construction at Butte. In addition, many more millions are being invested in new equipment and modernization of copper mines at "the richest hill on earth".

Montana's copper production in 1961 was the largest in 17 years. According to preliminary figures, increased production was recorded in oil, natural gas, sand and gravel, coal, stone, cement, lime, vermiculite, and tungsten ore.*

Further development of Montana's phosphate rock is in process, with new expansions by Rocky Mountain Phosphate Company and the Montana Phosphate Company at Garrison.

In 1961 the Sierra Talc Company started production at their new $750,000 talc refining plant at Three Forks. The product will be marketed under the trade name of Mistron Vapor and will be used in paints, cosmetics, chemicals, pulp and paper, the plastic and rubber industries throughout the United States. The company operates on a 24-hour basis and employs 12 people.

*Source: Minerals Industry Survey - Montana Bureau of Mines & Geology.

Begun in January of 1962 and scheduled for completion early in 1963 is the new Permanente cement plant at Montana City. This new $10 million plant is testimony to the confidence of investors in the economic growth of this area. The State Planning Board is proud of its role in assisting this new industry to locate in Montana, having been able to provide services in almost every development phase of this project.

During the past year our staff has done studies aimed at providing statistics to be used as a basis for expansion in limestone production. The Big Horn Limestone Company has recently constructed a new plant at Warren as a result of this potential, and similar operations are contemplated in two other areas of our State.

Forest Products Industries

In recent years the timber industry has shown the fastest growth rate of any segment of our economy. Since the initial "breakthrough" in the timber products field by the establishment of the Waldorf pulp mill at Missoula in November of 1957, changes have occurred in lumber products at an accelerated rate.

Through close cooperation of the U. S. Forest Service, the State Forester, research institutions, and private industry, many of our projects for Montana have become realities. The thinking in terms of sawing boards has given way to a whole new era of complete log utilization. Today this vital industry is considering changing of dimension from a board foot to a cellulose cube.

On the following page are figures from the Unemployment Compensation Commission which will indicate the employment trend in this industry:

AVERAGE TOTAL EMPLOYMENT OF WAGE & SALARIED WORKERS IN MONTANA FOREST PRODUCTS INDUSTRIES 1952-1961

Year	Total	Logging Camps Logging Contractors	Millwork, Veneer Sawmills and Planing Mills	Plywood & Prefabricated Wood Products	Miscellaneous Wood Products	Pulp Mills
1952	5,873	1,169	4,207	384	113	
1955	7,146	1,573	4,991	475	107	
1958	6,787	1,214	4,737	581	140	115
1961	7,638	1,507	4,777	1,026	126	202
%Increase 1952-1961	30%	29%	14%	167%	12%	200%

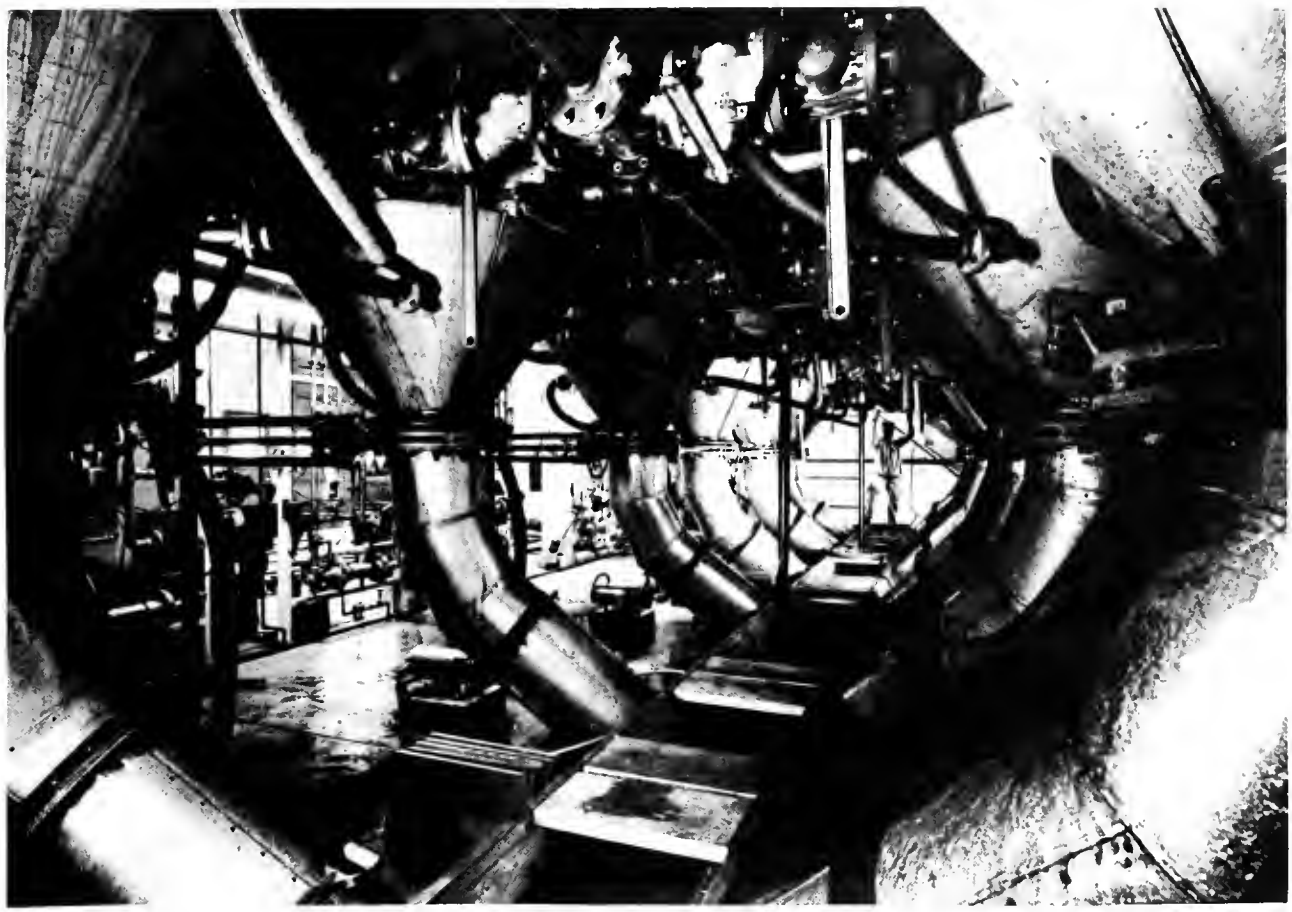
Since our last biennial report, the firms below have made substantial investments in witness of their increasing confidence in the future of Montana's timber potential:

NEW PLANTS & EXPANSIONS IN TIMBER PRODUCTS 1961-1962

Company	Location	Facility	Investment
1. Northern Timber Co.	Deer Lodge	Sawmill	----------
2. Anaconda Co.	Bonner	Sawmill & planer	$4,500,000
3. J. Neils Lumber Co., St. Regis	Libby	Plywood	4,500,000
4. J. Neils Lumber Co., St. Regis	Libby	Arabinoglactan	300,000
5. Van-Evan Company	Missoula	Plywood expansion	---------
6. Mont. Forest Products	Philipsburg	Sawmill	1,500,000
7. Cascade Plywood	Polson	Various	---------
8. Forest Service Lab.	Bozeman	Lodgepole research	175,000
9. Waldorf-Hoerner	Missoula	Mill residue burner	750,000

Not only are we viewing expansion in established products, but research has opened a complete new horizon for the wood-chemical industry. Perhaps the most glamorous, and a plant unique to the United States, is the St. Regis Paper Company's arabinoglactan plant at Libby.

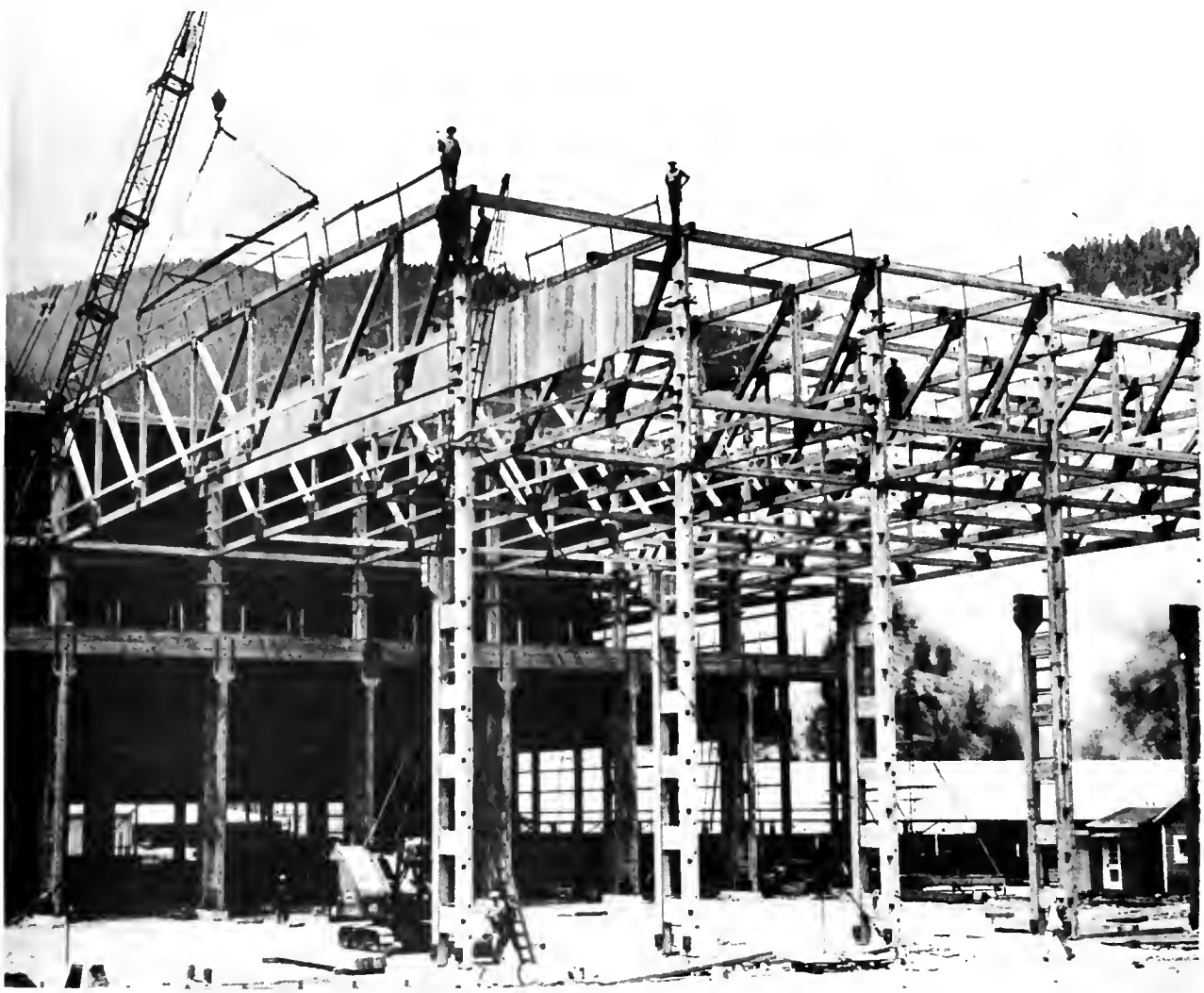
This important scientific achievement was revealed in Libby on July 25, 1962 when J. Neils Lumber Company (division of St. Regis Paper Co.) announced the first domestic source of highly soluble industrial gum competitive with gum arabic. This product, trade named STRactan, is produced from western larch trees (tamarack) and is the perfection of an extraction process after more than a decade of research and development.



Interior view of the new St. Regis STRactan (arabinoglactan) Plant, showing row of digesters feeding into a conveyer system

By utilizing a former waste product in the form of the butt end of a larch log, St. Regis has provided a new field for the timber industry. Already consideration is given to a full scale STRactan plant which would have a minimum annual production of 4 million pounds. This is a modest share of the potential market, since American industries alone use more than a billion pounds annually of industrial gum.

The State Planning Board has been conscious of the potential for additional producers in Montana's pulp and paper industry and has been cooperating with several prospective investors in this field. It is anticipated that there will be other pulp and paper producers established in this area within the near future.



Construction of New Planer Building of The
Anaconda Forest Products at Bonner

Montana is extremely grateful for the initial decision of the Waldorf Company to pioneer Montana's pulp and paper industry. The citizens of this State would be remiss not to acknowledge the unselfish efforts of the Waldorf-Hoerner Paper Products Company, in cooperation with local citizens groups and State agencies, toward the solution of air and water pollution. Recent announcement by this company to invest $750,000 to provide a system of utilizing waste mill residue from sawmills in the Missoula area will lead to the eventual elimination of sawdust burners. Such a decision lends proof to the ability of community and private industry to cooperatively solve such problems.

Not only has there been a healthy growth of forest products in the private sector, but the U. S. Forest Service has recognized the need to expand their facilities to keep pace with the transitions in this industry. The demand for timber products and a more complete utilization and protection of this valuable resource has brought the Forest Service Research Center at Bozeman and the Forest Service Northern Forest Fire Laboratory at Missoula.

Agricultural Processing

Being largely an extractive State, we on the State Planning Board recognize as a basic premise that we must incorporate more Montana labor into our raw material before it is exported from our State. Nowhere is this opportunity greater than in the field of agriculture processing.

We have long been aware of the potential for an expanded meat packing and feedlot industry which would make it possible to feed more

Montana grain to our cattle, and ship more processed meat to markets rather than range cattle and grain. The Board has worked cooperatively with the meat packing industry, our farmers and ranchers, and the Agriculture Department of Montana State College, to whom we are very grateful for their assistance with this project.

In mid-1962, Needham Packing Company of Sioux Falls, South Dakota, expanded into Montana with the purchase of the Montana Meat Company in Great Falls and has announced its modernization program will increase production from a present daily slaughter of 35 animals to 200 cattle daily. The State Planning Board has been performing studies with the company which will enlarge the operation three times within five years if sufficient cattle are available.

Further utilization of our raw material and an important key to our feedlot industry is the Sunburst Biochemical Works under construction at Choteau. This new operation will be converting starch and protein rich barley into syrups, protein feed supplements, sugar, yeast, and other products for human consumption and industrial use.

A demonstration of ingenuity and greater usage of Montana raw material is the new "Wheanuts" plant under construction at Circle. Through a secret formula, wheat is processed into a very delicious product competitive with salted peanuts. The revolutionary development is very promising and public acceptance most encouraging.

Many other investors are viewing even greater opportunities in Montana's field of agriculture processing.

AREA REDEVELOPMENT

In May of 1961 Congress enacted Public Law 87-27, the Area Redevelopment Act, and the Governor charged the State Planning Board with certain responsibilities with the administration of this program.

In order to qualify for benefits under ARA, the designated communities and areas must submit for the Board's approval an Overall Economic Development Plan. Our staff has been very active in assisting with the formulation of the so-called OEDP's and their subsequent review and approval before submission to the Area Redevelopment Administration in Washington, D. C.

By the end of 1962 we have approved the following areas of substantial and persistent unemployment under the terms of ARA:

Indian Reservations - All OEDP's submitted and all approved except the Crow Reservation

Rural Area Development - Sanders, Lake, Ravalli, Roosevelt, and Carbon Counties

Urban Areas - Butte, Anaconda and Kalispell

Although the immediate accomplishments of this Act have not been substantial, it is felt that one of the greatest results is the requirement of group action in viewing local economic problems and potentials with a long-range plan for development.

SBA RESEARCH GRANTS

A cooperative plan was adopted between the State Planning Board, the Small Business Administration, and various units of the University of Montana whereby the State Planning Board became the recipient of $40,000 in each of the years 1959 and 1960 for the purpose of conducting research into the problems of small business. Although the actual research is being carried on at the units of our University System, the State Planning Board is the prime contractor to the SBA on these projects and, as such, the Board is responsible for the entire administration and accounting on each project.

Utilizing the SBA grant funds, the following studies were undertaken by the various interested colleges:

1959 SBA Grant

1. Marketing Problems of Small Business Enterprises Engaged in Lead and Zinc Mining. Bureau of Mines and Geology, Montana School of Mines.

2. Analysis of Expansion and Diversification Possibilities for Existing Small Metalworking Shops in the State of Montana. Industrial Engineering Department, Montana State College.

3. An Investigation of the Training Requirements of Small Business with Regard to the Educational Needs of Prospective Employees. Northern Montana College.

4. Research on Small Business Success and Failure in a Natural Resource Economy. Bureau of Business & Economic Research, Montana State University. Four parts:

   Part I A Trade Potential Study of Montana
   Part II A Study of Legal Barriers to Competition in Montana State and Local Law
   Part III Pilot Study of Successful and Unsuccessful Small Business Enterprises within Montana
   Part IV A Survey of Mail Order Buying Habits in Missoula County

1. The Survival and Growth Potential of Small Meat Packing Businesses in Montana and the Northern Rocky Mountain Region. Division of Agriculture, Montana State College.

2. Research on, and Compilation of, a Record-Keeping Handbook for Small Businesses Engaged in Mining. Bureau of Mines and Geology, Montana School of Mines.

3. Analysis of Expansion and Diversification Possibilities for Existing Small Wood Fabricating Concerns in Montana and the Northern Rocky Mountain Region. Industrial Engineering Department, Montana State College.

Basic research on all of the above projects has been completed and rough drafts have been prepared on most of them. However, subsequent review of the drafts by the SBA has resulted in revisions in the reports before they can be published.

Studies #1 and #3 of the 1959 Grant Program are being printed and revisions on studies #2 and #4 are being made prior to receipt of approval of their publication.

Since 1960, no Federal funds have been appropriated for continuation of this research program. However, funds may become available for further research studies within the next one or two years.

"701" FEDERAL CITY PLANNING PROGRAM

Forward looking Montana communities desire to carefully plan for their future growth and economic development. Such planning is accomplished by the preparation of master plans for the communities and their immediate environs incorporating studies of past and present trends in land use, population, business, resources, schools, streets, sewers, parks, playgrounds, etc. These trends are then projected into intelligent plans for each community's future growth and economic development. An essential part of such a master plan is the careful zoning of specific areas in which future residences, businesses, and industries will be permitted to prosper without interference from one another.

Communities can finance such comprehensive plans by paying only one-third of the total cost (one-fourth in the case of Urban Redevelopment Areas) and the Federal Government will provide the balance in the form of grants. Montana cities under 50,000 population are required by the Federal Government to obtain grants through application to the Montana State Planning Board who, in turn, must apply to the Federal Government for these funds. Thus, the State Planning Board becomes the prime contractor to the Federal Government on city planning projects and, as such, the Board becomes responsible for the entire administration and accounting on each project.

However, the progress of city planning in Montana has, at least temporarily, been seriously retarded as the result of a Montana Supreme Court decision in June 1961. The Court held it unconstitutional for the State Legislature to empower county commissioners without restric-

SUNDRY PROGRAMS

In conjunction with our broad program of economic development there are various specific projects which are an integral part of this overall program.

The Board publishes "Industrial Horizons" which is a monthly newsletter designed to inform the people of Montana and influential citizens throughout the country of our activities and to interest prospective investors in the potential of Montana.

During the past biennium the staff has performed research as a basis for several publications to be used as tools for attracting new industry. In cooperation with the Montana Chamber of Commerce and the local chambers, the Board has published a community survey of what each area has to offer in the way of plant site location factors.

The Board has worked closely with defense procurement agencies to encourage Montana manufacturers toward greater participation in defense contracts. A survey of industries interested in such contracts has been compiled and disseminated to various Federal offices concerned with procurement. Early in 1963 a procurement conference is planned, at which time it is hoped that over 100 Montana industrialists will meet with procurement officials to discuss broadening our activities in this field.

In both 1961 and 1962 the staff of the State Planning Board attended the Naval Research and Development Clinic at Raton, New Mexico, and Seattle, Washington. Such clinics are a gathering of top research scientists of the Nation and our participation was aimed at assisting Montronics, Montana's new electronics industry, and promoting further

expansions in electronics for the State. It is generally agreed that we would have greater activity in research and development if more people were exposed to the many attractions of Montana. With this thought, the State Planning Board is contemplating such a clinic for Bozeman in 1964 in cooperation with Montana State College and Montronics.

As a part of our program to encourage Montana community development and increased participation in government procurement, our staff has worked jointly with Mr. Kenneth P. Borgen, Industrial Assistance Coordinator from the Office of Naval Material, in designing a State action program and specific community action programs.

Knowing that the expansion of our existing industry depends upon an increasing supply of risk capital, the Board works very closely with the Area Redevelopment Administration, Small Business Administration, and various private financial agencies. As a part of our program to encourage investment in Montana, the State Planning Board cooperated with the Governor's office and local chambers of commerce in the tour of 40 visiting financiers from Midwestern areas who traveled western Montana for nearly a week investigating investment opportunities. A similar tour is planned in the near future for eastern areas of the State.

The "Montana Directory of Manufacturers" has been updated through the joint efforts of Montana State College and the State Planning Board Staff. The new 1963 Directory is now available through our office for $1.50 per copy. Presently the staff is gathering information for a new edition of "Commerce and Industry" magazine for Montana and publication will take place during the coming year.

There are many other specific programs of the Planning Board aimed at stimulating efforts toward greater economic developments in Montana.

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